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THE TABULATING OF LABOR TURNOVER

BY E. H. FISH,

Employment Manager, Norton Co., Worcester, Mass.; Chairman, Committee on Labor Turnover of the Boston Employment Managers' Association.

The efforts of this committee to find a reasonable basis for comparison between shops, based on the length of time which men stay on their jobs, developed at the very first a feeling that it was impossible to reduce it to any single figure or percentage.

We felt that the percentage of labor turnover as usually computed and published was being used to some extent as an index of the value of an employment department. If this is so, it puts a premium on a department able to persuade foremen to retain inefficient workers whom his better judgment told him should be laid off or dismissed. In view of these thoughts, we decided at the start that it would be desirable to analyze the causes of leaving as well as the different kinds or conditions of people whom we employed. With this in mind, we evolved sheets (see inserts 1 and 2) in which those who were hired, or those entering the employ of the company, were divided broadly, at first, into the new, the reemployed, and those transferred from other departments. One sheet is prepared for recording the turnover for the entire plant by departments during a chosen period of time, and the other the turnover in a given department for a given month. On each sheet the new and the reemployed are each divided into three classes, those who are experienced, those who are learners and those who are laborers. The division was adopted after considerable discussion in which skilled, unskilled and semi-skilled occupations were discussed, but it was decided that for the purpose of keeping the cost of labor turnover low, it was an advantage to every concern to hire experienced people, regardless of whether their experience was that of the skilled, semi-skilled or unskilled person, because the previous experience with the company, or with similar companies, counts for almost as much in one case as another.

PROBLEMS OF CLASSIFICATION

The classification of learners was adopted because of our feeling that we should face the facts fairly and squarely as to whether we were hiring men whom we expected to train for our own purposes, whether they were men who we suspected had previous experience, or whether we should make a distinction between them and laborers whom we expect to be about equally efficient at the beginning and at the end of their employment. This too gives us an opportunity to present to the managements of our several companies the number, usually large, of employes for whom some kind of training is needed before they become efficient, because by thus showing this considerable number, it probably will be possible to induce them to set aside certain portions of the shop for specific training of new employes. As such men are scattered amongst the general help, the large number usually passes unnoticed. Under the head of those transferred to a given department, the division is made between those transferred for physical reasons, which includes, of course, those transferred because they have been injured in accidents, and those whose physical condition has changed through sickness, or those whose physical condition remains the same, but where the job in the department has changed its nature in such a way that we do not feel the man can safely continue to do the work for which he was originally employed.

Those promoted require no discussion. Those who are transferred from another department, because they have failed in the first, should be kept entirely distinct because, while as a matter of fairness to the individual it is usually desirable to give the failures another opportunity in some other department, the percentage of them who make good should be kept track of, and that cannot be done unless we know the actual number who were transferred under such conditions. It appears to be generally found that a sufficient number of those who fail in one department succeed in another to make it well worth while to hold this second opportunity open at the option of the employment department, but it was not thought that the percentage of those who succeed in the second department is large enough so that it can be said to be universally true that everyone should have a second or a third opportunity.

Under the head of "Transfers on Account of Departmental Fluctuation," we take care of cases where one department finds

DEPARTMENT SUMMARY

ENTRANCES	NUMBER	PER CENT
1 Employed	_____	_____
2 Re-employed	_____	_____
3 Transferred	_____	_____
4 Total Entrances	_____	_____

EXITS	NUMBER	PER CENT
5 Left of Own Accord	_____	_____
6 Discharged	_____	_____
7 Laid-off	_____	_____
8 Transferred	_____	_____
9 Unavoidable	_____	_____
10 Total Exits	_____	_____

Deduct Unavoidable (9)	_____
Balance = Department Turnover	_____

REMARKS:—

TURNOVER

Turnover is the change in personnel brought about by hiring and termination of employment. Many conditions enter into these changes, some of which are beyond the employer's control or influence. Other conditions are largely within the control of the employer and, because of their obvious importance, they demand serious consideration.

Problems relating to personnel are no less vital than problems relating to markets, materials and machinery. Conditions affecting turnover lie at the heart of all personnel problems. Intelligent consideration cannot be given these conditions without knowledge of facts and such knowledge depends upon accurate data.

It is impractical merely to group or express in total percentage, all the factors entering into turnover; these factors are irreconcilable. It is of value to know the percent of exits but it is of more value to know the causes of those exits; therefore a detailed analysis of reasons underlying termination of employment becomes valuable.

With the above in mind and appreciating the necessity of uniform records if future discussions of the problems of turnover are to be of value, the Employment Managers' Association of Boston has adopted this provisional form and method for computing turnover. The Association anticipates its later revision in the light of experience to be secured through its use.

As a convenience and economy to employers this form is printed and carried in stock by the Library Bureau, Boston, Massachusetts.

RECORD OF TURNOVER

COMPANY _____

DEPARTMENT _____
FOREMAN _____

MONTH _____
YEAR _____

ENTRANCES													EXITS													TOTAL ENTRANCES		TOTAL EXITS																																																																																																																														
NEW				REEMPLOYED				TRANSFERRED					LEFT OF OWN ACCORD													DISCHARGED					LAID-OFF			TRANSFERRED			UNAVOIDABLE																																																																																																																					
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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45																																																																																																														
Experienced				Laborers				Physical Reasons					Failed					Departmental Fluctuation					Wages					Heavy, Wet or Dusty etc.					Ill Health					Monotony					Family Moving					Housing Conditions					Unknown					Careless					Lazy					Incompetent					Unreliable					Liquor					Trouble Breeder					Insubordinate					Misconduct					To Decrease Force					Physically Reasons					Temporarily Employed					Physical Reasons					Promoted					Failed					Departmental Fluctuation					Pensioned or Superannuated					Marriage (Female) or Pregnancy					Exit or Cause					Occupational Cause						
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To Compute Percentages
DIVIDE TOTALS BY "DEPARTMENT AVERAGE FOR MONTH"

Number of Employees
In Department on Last
Day of Last Month > _____

Last Day
of this
Month > _____

Department
Average
for Month > _____

itself temporarily out of the normal amount of work through lack of delivery of material, or for any other reasons, and the people employed there must be taken care of in some other department instead of being allowed to drift outside.

THE INFLUENCE OF WORKING CONDITIONS

Under the head of "Exits," broad divisions were made between (1) those who left of their own accord, (2) those who were discharged or dismissed from the employ of the company, (3) those who were laid off, (4) those transferred to other departments, and (5) the exits which were unavoidable by any act which the company might take. Under those who left of their own accord and which should be understood to include only conditions which might be remedied if the company saw fit to do it, we make the three broad divisions of those who left (a) on account of working conditions, (b) on account of location, and (c) for other reasons. Under working conditions we made the subdivisions of those who leave on account of wages, that is, those who were able to or thought they were able to get larger pay, those who leave on account of heavy, wet or dusty conditions, which column might also be used to cover many other conditions such as those due to lead poisoning, etc., those who left on account of ill health, and monotony. Two additional columns are left for specific reasons which may apply only to the shop which is using this form. Probably in almost every concern, the largest number of assignable reasons will be those relating to wages. It was thought that experience might show a certain more or less definite percentage of people leaving on account of their wages which might indicate a danger point and that salaries or wages should be increased. For example, if the turnover due to people leaving the concern on account of wages alone should become more than say 30 or 40 per cent, it might be deemed desirable to consider seriously the question of a general increase of wages in the department affected.

Under the head of "Heavy, Wet or Dusty," etc., of course are included conditions which are oftentimes inherent in the business itself, and which must be faced. Sometimes, however, the fact that we are able to show to the management that a larger percentage of people than they had supposed leave us on account of these reasons, may indicate to them the desirability of spending

considerable sums of money in remedying conditions which they had been inclined to think were of comparatively little importance. Under "Ill Health," are supposed to be included only such cases as are contracted outside of the employment, for such few cases of sickness as come about through the fault of the company itself, or through defects which they might readily remedy, should be classified under "Transfers for Physical Reasons."

"Monotony," is often the cause of people leaving, although it is not always easy to discover this reason from the excuses given by the people themselves, and especially from the excuses given by the foremen. Where it is suspected that work is monotonous care should be taken to draw out the opinion of those who leave.

LIVING CONDITIONS AND THEIR EFFECT

Under the head of "Location," we have made two divisions, one "Due to the Family Moving from Town," which, of course, usually applies to the children or the younger people in the family. We usually consider that if the head of the family is the one who takes the initiative in leaving town that it must be for some other reason, and will be classified under another head; that is, he may be leaving town on account of any of the working conditions which we have already mentioned, or it may be because we have laid him off, and he is only able to secure a position somewhere else.

Under the head of "Housing Conditions," we place the leaving of employes because they are unable to secure the kind of tenements or houses which they desire, or cases which often happen in rush times of their being entirely unable to find accommodations at all. We place this under the avoidable causes, because it is something which concerns have usually in locating their plants out of the center of large cities. The concern may not care to go to the expense of reducing the turnover due to the lack of good transportation or good housing, because it feels it is making more money through some of the other advantages of distance from the center.

A number of blank columns are left here. The only miscellaneous reason which we are giving is "Unknown," which, unfortunately, it seems to be necessary to maintain. It is usually possible to get some reason assigned for every person's leaving, also many times these reasons are such that we doubt them. Therefore

PLANT SUMMARY

ENTRANCES	NUMBER	PER CENT
1 Employed	_____	_____
2 Re-employed	_____	_____
3 Transferred	_____	_____
4 Total Entrances	_____	_____

EXITS	NUMBER	PER CENT
5 Left of Own Accord	_____	_____
6 Discharged	_____	_____
7 Laid off	_____	_____
8 Transferred	_____	_____
9 Unavoidable	_____	_____
10 Total Exits	_____	_____

Deduct Transferred and Unavoidable (8 and 9) _____

Balance = Plant Turnover _____

REMARKS :- _____

TURNOVER

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COMPANY

MONTH

YEAR

[illegible]

To Compute Percentages
DIVIDE TOTALS BY "PLANT AVERAGE for MONTH"

it seemed desirable to leave a column frankly for those whom we do not wish to assign to any particular cause.

CAUSES OF DISMISSAL

The exits from work on account of dismissal have been classified under the heads of "Careless," the careless man perhaps being the greatest bugbear that we have, although sometimes it is a curable disease. Laziness is our second classification, though as a usual thing it is very hard to distinguish between carelessness and laziness, the results and the symptoms being very much the same. It was, however, thought that there would be men who are exceptionally active whose carelessness is the result of over-enthusiasm, and whose classification falls under the first head rather than the second.

Incompetency is a very common cause of dismissal in these times when men are apt to represent themselves as even more capable than they really are. In a measure, the turnover due to incompetence may be said to reflect somewhat on the employment department who should be sufficiently keen to discover such cases before hiring them. It is certainly a part of their duty to give such people another opportunity if possible by transferring them to some other department, so that we would expect that this column would not be especially large. Under the head of "Unreliable," we would place such men as we considered were actually competent, but through carelessness or laziness were apt to be variable in their actions. Probably not a great many would be classified under this head, as they would most naturally fall under the two heads of "Carelessness" or "Laziness." The column "Liquor," "Trouble Breeders," "Insubordinates" and "Misconduct" probably need no explanation. There are very few places where any of us can afford to keep men who abuse the use of liquors, or those who are in the habit of stirring up trouble with other people. Our general experience with insubordination, however, leads us to feel that there would be very few cases which could be clearly placed under this classification, as most men are willing to subordinate themselves to a foreman's instructions if they are given clearly so the man does not misunderstand them, and if they are given in a proper spirit. Most of the men, who under proper working conditions, are insubordinate may be said to be trouble breeders by nature, and should probably be classed under that heading.

WHY MEN ARE LAID OFF OR TRANSFERRED

Under the sub-heading of "Men Laid Off," we have made the following divisions:

1. To decrease the force, probably made necessary by lack of work, although it might be due to the fact that additional machinery had been installed which required less labor to operate, or because the men already on the job had become more efficient and were able to do the work in a smaller group.

2. Those laid off for physical reasons include those who have become aged in the service of the company, and those who as a result of some sickness, or accident, had become incapacitated. It seems, however, that very few should be placed under this column, as a man who has become incapacitated as a result of the work which he has done seems to be a proper object for further care by the company, either by being placed in some easier, less active job, or by being placed on some sort of a pension roll.

The next column accounts for the laying off of those temporarily employed, which reminds us that under the entrances no division is made between those who are employed for temporary work and those who are not. It is very difficult usually to determine, at the time a man is hired, whether his employment is temporary or not. We may have a gang of fifty men, and we may wish to increase that gang temporarily to seventy-five. In hiring twenty-five new men, we are almost certain that some will prove to be men whom we will wish to keep at the expiration of the time when the work is done for which they are hired, preferring to discharge some of the men who are already on the job as being less capable.

The subheading for men transferred is divided into those transferred for physical reasons, which is covered also in our statement regarding those laid off; for those promoted, which is usually obvious, although promotion at times may appear to be a little vague. Oftentimes, a man asks for a transfer from one department to another which he believes will prove to be a promotion for him, when it seems to us as if it was a demotion. However, we should feel, we think, that anyone who is bettered either mentally, or physically, or pecuniarily, is promoted even though it may not appear to an outsider that the new job is better than the old one.

Those who have failed in one department and are transferred from that department on that account, also, of course, appear in the entrances under the head of those transferred. Departmental fluctuation is supposed to cover the transfers made from time to

time from one department to another, and more especially between departments of the same nature, but, perhaps, in different buildings under different foremen. This would cover such cases as those where a number of people leave one department, and in order to fill the gap others are shifted from other departments to that, possibly temporarily and possibly permanently. Transfers under this heading would not constitute promotions nor indicate that the person transferred is in any sense a failure.

The unavoidable causes are classified among those who are superannuated or pensioned for any other reason, those whose marriage takes them away from the shop or office, and the deaths which are caused by exterior causes, or those due to occupation in the works. We felt there should be this last distinction between the two because exterior causes are not a reflection upon the industry at all, while those coming from the occupational diseases or from accidents should be kept separate so that we might have an index of the dangers of our work.

At the bottom of the sheet, it will be seen that there is provision made for getting the percentage of leaving for each one of a number of different causes. There is first a footing for the total of each individual column. By dividing that total by the average number of employes concerned, we arrive at the percentage leaving for that particular department for that individual reason, and for the time covered by the sheet. Then the next totals are for the totals of the subheadings: that is, the new entrances, the reemployed and transferred, those who left of their own accord, those who were discharged, those who were laid off, those who were transferred and the unavoidable. Then the third set of totals and percentages is for those coming and those leaving, so that if this is applied to the whole plant, the percentage of those leaving over the average number employed will give us the total turnover for the whole plant. On the other hand, the sheet gives us a classification as fine as anyone probably will require, so that a study of these sheets will give a bird's-eye view of the whole condition, and as finely subdivided an opportunity for study as can be wished. The recapitulation of these figures by departments and by plants is provided for, as may be noticed on the back of the two forms.